

265—3.8(16) Multifamily loan program for substantial rehabilitation of nonrestricted projects. Projects eligible for loans under this category must satisfy the following conditions, in addition to (or instead of, if there is a conflict) the requirements of rule 265—3.5(16):

1. Projects that currently have no affordability restrictions (e.g., Section 8 project based, USDA 515, LIHTC) are eligible for assistance.
2. Projects must need and sponsors must agree to complete rehabilitation of at least \$6,000 per unit in hard construction costs.
3. Sponsors must agree that at least 40 percent of the units shall have rents at or below the applicable area FMR (fair market rents as determined by HUD).
4. Projects must have at least five units.